

Financial Highlights for FY2018 1Q

Imagica Robot Holdings Inc.

TSE code:6879

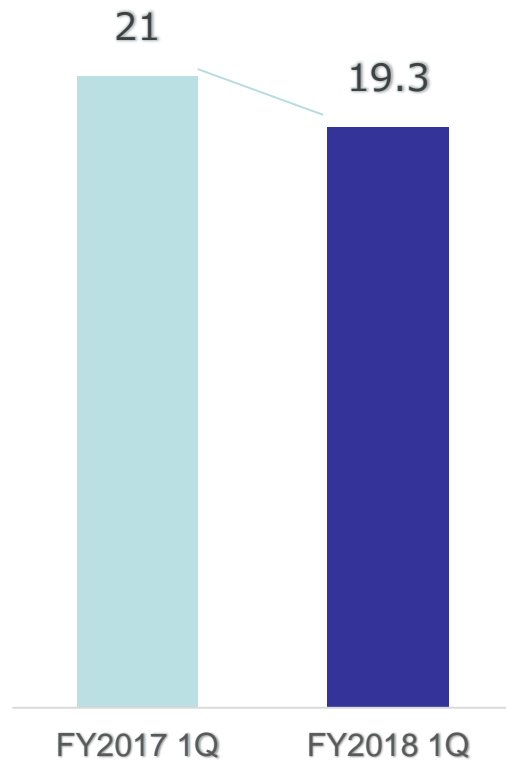
Highlight of financial results

Net sales

¥19.3bn

YoY
△¥1.7bn

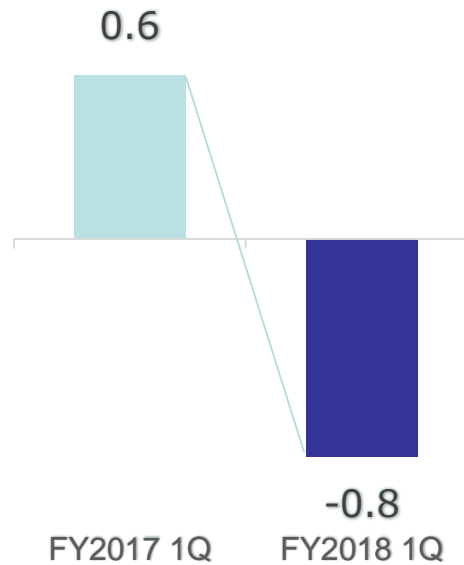
(billion yen)



Operating income

△ **¥0.8bn**

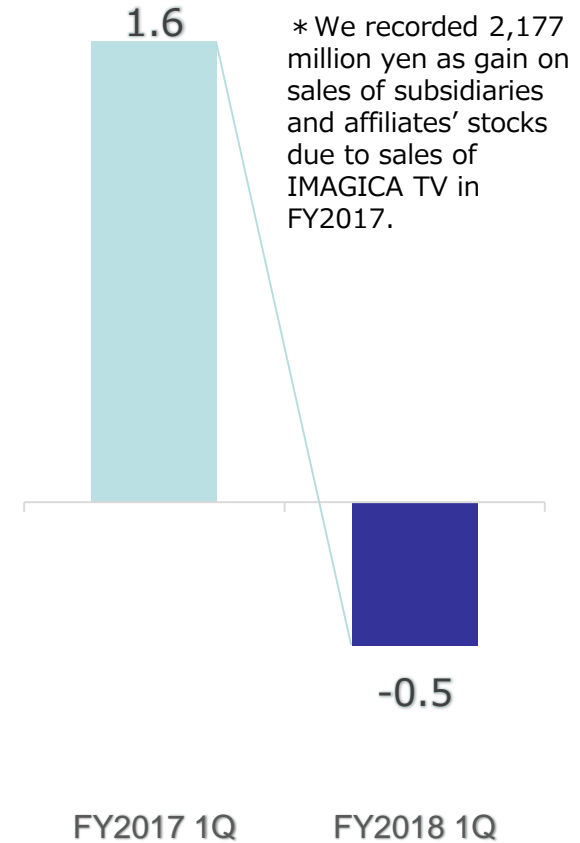
YoY
△¥1.5bn



Net income attributable to owners of the parent

△ **¥0.5bn**

YoY
△¥2.1bn



1Q Financial results by segments

(million yen)

		FY2017	FY2018			Factor
		1Q Actual	1Q Actual	YoY ratio	YoY	
Content Creation	Net sales	5,229	4,685	△10.4%	△543	<ul style="list-style-type: none"> ➢ Decrease net sales, because revenue from theater animations slipped to 2Q ➢ Decrease income due to temporary rise in production costs for new series titles that started in April 2018 and full-CG works.
	Operating income	92	△ 374	-	△466	
	(OP ratio)	(1.8%)	(---%)			
Production Services	Net sales	6,684	6,228	△6.8%	△456	<ul style="list-style-type: none"> ➢ Post-production service for TV animation and the digital cinema service remained strong. ➢ Decrease orders of post-production from TV program due to TV programming reshuffle, etc.
	Operating income	300	△ 11	-	△312	
	(OP ratio)	(4.5%)	(---%)			
Media Localization	Net sales	6,031	5,840	△3.2%	△190	<ul style="list-style-type: none"> ➢ Localization services in Europe remained strong. ➢ Decrease in net sales and income due to decreased localization orders of old titles for OTT.
	Operating income	△ 56	△ 591	-	△534	
	(OP ratio)	(---%)	(---%)			
Imaging Systems & Solutions	Net sales	3,411	2,919	△14.4%	△492	<ul style="list-style-type: none"> ➢ Decrease net sales and income due to delay large order for the professional video equipment to 2Q or later. ➢ Sales in the system of TV CM delivery remained strong. ➢ Sales in LSI for China was strong.
	Operating income	363	204	△43.6%	△158	
	(OP ratio)	(10.6%)	(7.0%)			

*OTT="Over The Top" means the companies excluding telecommunication that provide contents such as video and audio.

Net sales, Operating income, Ordinary income and Net income were revised downward

	FY2016	FY2017	FY2018			
	Actual	Actual	Forecast on May 8	Revised Forecast	Difference ratio	Difference
Net Sales	87,586	91,351	95,000	93,000	△2,000	△1.8%
Operating income	1,787	2,424	2,600	1,750	△850	△27.8%
(Ratio)	(2.0%)	(2.7%)	(2.7%)	(1.9%)		
Ordinary income	2,014	2,424	2,450	1,650	△800	△31.9%
(Ratio)	(2.3%)	(2.7%)	(2.6%)	(1.8%)		
Net income (loss) attributable to owners of the parent	1,707	2,937	1,600	1,100	△500	△62.5%
Earnings per share of common	38.3	65.9	35.9	24.7	△11.2	△62.5%

Revision on forecast by segments

(million yen)

Net sales and Operating income in Media Localization and Production Services revised in consideration of 1Q actual.

		FY2017 Full year Actual	FY2018 Forecast on May 8	FY2018 Revised Forecast	YoY ratio	YoY	May 8 vs Revised Difference
Content Creation	Net sales	25,289	23,200	23,200	△8.3%	△2,089	0
	Operating income (OP ratio)	799 (3.2%)	800 (3.4%)	800 (3.4%)	0.1%	1	0
Production Services	Net sales	27,725	29,900	29,300	5.7%	1,575	△600
	Operating income (OP ratio)	1,209 (4.4%)	1,300 (4.3%)	1,100 (3.8%)	△9.0%	△109	△200
Media Localization	Net sales	24,814	27,700	26,000	4.8%	1,186	△1,700
	Operating income (OP ratio)	△ 674 (---%)	△ 400 (---%)	△ 1,050 (---%)	-	△376	△650
Imaging Systems & Solutions	Net sales	14,997	15,500	15,500	3.4%	503	0
	Operating income (OP ratio)	1,449 (9.7%)	1,600 (10.3%)	1,600 (10.3%)	10.4%	151	0
Others (Consolidated adaptaion)	Net sales	△1,474	△1,300	△1,000	-	474	300
	Operating income	△359	△700	△700	-	△341	0
Consolidated	Net sales	91,351	95,000	93,000	1.8%	△1,649	△2,000
	Operating income	2,424	2,600	1,750	△27.8%	△674	△850

Quarterly consolidated statement of income

(million yen)

	FY2017	FY2018		
	1Q Actual	1Q Actual	YoY ratio	YoY
Net sales	21,073	19,362	△8.1%	△1,711
Gross profit	5,887	4,746	△19.4%	△1,140
(Ratio)	(27.9%)	(24.5%)		
Operating income(loss)	644	△ 876	-	△1,521
(Ratio)	(3.1%)	(---%)		
Ordinary income(loss)	665	△ 839	-	△1,504
(Ratio)	(3.2%)	(---%)		
Net profit (loss) before taxes	2,792	△ 860	-	△3,652
Net income attributable to profit	1,641	△ 536	-	△2,178
(Reference) Operating income before goodwill	1,025	△491	-	△1,516

Operating income before goodwill includes operating income, goodwill amortization and intangible fixed assets amortization.

Quarterly consolidated balance sheets

(million yen)

	Year ended March 31, 2018	1Q FY2018	Difference
Current assets	39,661	35,559	△4,101
Cash and deposits	11,131	10,449	△681
Non-current assets	30,868	30,153	△714
Goodwill	7,255	6,795	△460
Total Assets	70,529	65,713	△4,816
Current liabilities	23,894	22,594	△1,299
Short-term loans payable	4,982	4,940	△41
Non-current liabilities	13,656	12,072	△1,584
Long-term loans payable	8,891	7,773	△1,117
Total Liabilities	37,551	34,666	△2,884
Shareholder's equity	28,184	26,690	△1,493
Accumulated other comprehensive income	1,241	1,181	△59
Non-controlling interests	3,552	3,173	△378
Total Net assets	32,978	31,046	△1,931
Total Liabilities and Net assets	70,529	65,713	△4,816
(Reference) Net Cash	△2,742	△2,264	478
(Reference) Equity	29,425 (41.7%)	27,872 (42.4%)	△1,553

Difference breakdown

Current assets△4,101M
Cash and deposits△681M
Notes and accounts receivable- trade
△4,579M

Non-current assets△714M
Goodwill△460M
Others△406M
Investments securities+115M
Deferred tax asset+59M

Current liabilities△1,299M
Notes and accounts payable- trade
△517M
Income taxes payable△451M
Advance payment+1,094M

Shareholder's equity
Net loss △536M
Dividend payment △445M

Non-controlling Interests
Mainly for SDI Media Group, Inc

Net cash = Cash and deposits - debt
10,449-(4,940+7,773)=△2,264